



# Department of Justice

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Middle District of Florida

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## **TWO GAINESVILLE AREA BUSINESSMEN INDICTED IN PUBLIC CORRUPTION KICKBACK SCHEME**

Jacksonville, Florida - United States Attorney A. Brian Albritton announces the unsealing of an indictment charging Edward Lee Dugger (age 63, of Gainesville, Florida) and Joseph Arthur Deese (age 37, of Ft. White, Florida) with conspiracy to pay kickbacks to James Vernon Crosby, Jr., the then-Secretary of the Florida Department of Corrections ("FDOC"), and Allen Wayne Clark, the then-Regional Manager for the FDOC. Dugger is also charged with extortion.

If convicted on all counts, Dugger faces a maximum penalty of twenty-five years in federal prison. Deese faces a maximum sentence of five years. The indictment also notifies Dugger and Deese that the United States intends to seek forfeiture of more than 2.4 million dollars, an amount equal to the proceeds from their alleged crimes. Both defendants turned themselves in this morning and had their initial appearance in Jacksonville Federal Court at 11:00 a.m. Each was released on a \$50,000 bond.

According to the indictment, from at least mid-2004 through early 2006, Dugger and Deese paid Crosby, who was Secretary of the FDOC until February 10, 2006, and Clark, who was the FDOC's Regional Manager until his resignation on August 31, 2005, to obtain a business relationship with the FDOC and with Keefe Commissary Network, a St. Louis,

Missouri company supplying grocery-style canteen stores in prisons throughout Florida. Dugger and Deese's corporation, American Institutional Services ("AIS"), was thereby able to run a lucrative, predominantly cash business at visiting - park canteen stores in Florida prisons. Dugger and Deese also allegedly agreed to kick back to Crosby and Clark 40% of AIS's profits.

The kickbacks from Dugger and Deese to Crosby and Clark steadily increased from \$1,000 per month to as much as \$12,000 per month and totaled about \$130,000. Dugger also allegedly paid for various gifts for Crosby and Clark during trips and routinely stocked Crosby and Clark's personal suites with food and alcohol during various business conferences.

Crosby and Clark both have pleaded guilty to receiving kickbacks related to this scheme. Crosby was sentenced to 96 months in federal prison, Clark to 31 months.

An indictment is merely a formal charge that a defendant has committed a violation of the federal criminal laws, and every defendant is presumed innocent unless, and until, proven guilty.

This case was investigated by the Federal Bureau of Investigation and the Florida Department of Law Enforcement. It will be prosecuted by Assistant United States Attorney A. Tysen Duva.

